(c) Engines may be certified using the certification procedures for new engines as specified in this part or using the certification procedures for aftermarket parts as specified in 40 CFR part 85, subpart V. Unless the original engine manufacturer continues to be responsible for the engine as specified in paragraph (d) of this section, you must remove the original engine manufacturer's emission control information label if you recertify the engine.

(d) The original engine manufacturer is not responsible for operation of modified engines in configurations resulting from modifications performed by others. In cases where the modification allows an engine to be operated in either its original configuration or a modified configuration, the original engine manufacturer remains responsible for operation of the modified engine in its original configuration.

(e) Entities producing conversion kits may obtain certificates of conformity for the converted engines. Such entities are engine manufacturers for purposes of this part.

§ 1054.650 What special provisions apply for adding or changing governors?

The special provisions in this section apply for engines that will not be governed to control engine speeds consistent with the constant-speed operation reflected by the duty cycles specified in § 1054.505. We refer to these as constant-speed governors in this section. Paragraph (a) of this section also applies for any engines shipped without installed governors.

(a) The representative-testing requirements of 40 CFR 1065.10(c)(1) related to in-use duty cycles do not apply to engines you produce and ship without constant-speed governors if you comply with all the following requirements:

(1) You must have test data showing that the effectiveness of the engine's emission controls over the expected range of in-use operation will be similar to that measured over the specified duty cycle. Alternatively, if your emission controls depend on maintaining a consistent air-fuel ratio, you may demonstrate that the engine is calibrated to maintain a consistent air-fuel ratio over the expected range of in-use operation.

(2) Describe in your application for certification the data and analysis that supports your conclusion.

(b) It is a violation of the tampering provisions in 40 CFR 1068.101(b)(1) to remove a governor from a certified engine unless you recertify the engine in the modified configuration.

§ 1054.655 What special provisions apply for installing and removing altitude kits?

An action for the purpose of installing or modifying altitude kits and performing other changes to compensate for changing altitude is not considered a prohibited act under 40 CFR 1068.101(b) as long as as it is done consistent with the manufacturer's instructions.

§ 1054.660 What are the provisions for exempting emergency rescue equipment?

The provisions of this section apply for new equipment built on or after January 1, 2010.

(a) Equipment manufacturers may introduce into U.S. commerce equipment that is not certified to current emission standards under the following conditions if the equipment will be used solely in emergency rescue situations:

(1) You must determine annually that no engines certified to current emission standards are available to power the equipment safely and practically. We may review your records supporting this determination at any time.

(2) You may not use exempted engines for the following equipment used to provide remote power to a rescue tool: generators, alternators, compressors, or pumps.

(3) If engines that meet less stringent emission standards are capable of powering your equipment safely and practically, you must use them as a condition of this exemption. You must use available engines meeting the most stringent standards feasible.

(4) You must send the engine manufacturer a written request for each exempted equipment model.

(5) You must notify the Designated Compliance Officer of your intent to use the provisions of this section. We may require you to notify us annually or to send us annual reports describing how you meet the conditions of this section.

(b) For the purposes of this section, ''emergency rescue situations'' means firefighting or other situations in which a person is retrieved from imminent danger.

(c) As an engine manufacturer, you may produce exempt engines under this section without our prior approval if you have a written request for an exempted engine for use in emergency rescue equipment from the equipment manufacturer. You must permanently label engines with the following statement: ''EMERGENCY RESCUE EQUIPMENT—EXEMPT FROM EMISSION STANDARDS UNDER 40 CFR 1054.660.'' Failure to properly label an engine will void the exemption.

(d) We may discontinue an exemption under this section if we find that engines are not used solely for emergency rescue equipment or if we find that a certified engine is available to power the equipment safely and practically.

§ 1054.690 What bond requirements apply for certified engines?

(a) Before introducing certified engines into U.S. commerce, you must post a bond to cover any potential compliance or enforcement actions under the Clean Air Act unless you demonstrate to us in your application for certification that you are able to meet any potential compliance- or enforcement-related obligations, as described in this section. See paragraph (j) of this section for the requirements related to importing engines that have been certified by someone else. Note that you might also post bond under this section to meet your obligations under § 1054.120.

(b) The bonding requirements apply if you do not have long-term assets in the United States meeting any of the following thresholds:

(1) A threshold of $3 million applies if you have been a certificate holder in each of the preceding ten years without failing a test conducted by EPA officials or having been found by EPA to be noncompliant under applicable regulations.

(2) A threshold of $6 million applies if you are a secondary engine manufacturer.

(3) A threshold of $10 million applies if you do not qualify for the smaller bond thresholds in paragraph (b)(1) or (2) of this section.

(c) For the purpose of establishing your level of long-term assets under paragraph (b) of this section, include the values from your most recent balance sheet for buildings, land, and fixed equipment, but subtract depreciation and related long-term liabilities (such as a mortgage). If you have sufficient long-term assets to avoid bond payments under this section, you must identify the location of these assets in your application for certification.

(d) The minimum value of the bond is $500,000. A higher bond value may apply based on the per-engine bond values shown in Table 1 to this section and on the U.S.-directed production volume from each displacement grouping for the calendar model year. For example, if you have projected U.S.-directed production volumes of 10,000 engines with 180 cc displacement and 10,000 engines with 400 cc displacement in 2013, the appropriate bond amount is $750,000. Adjust the value of the bond as follows:

(1) If your estimated or actual U.S.-directed production volume in any later year increases beyond the level appropriate for your current bond payment, you must post additional bond to reflect the increased volume within 90 days after you change your estimate or determine the actual production volume. You may not decrease your bond.

(2) If you sell engines without aftertreatment components under the provisions of § 1054.610, you must increase the per-engine bond values for the current year by 20 percent.

TABLE 1 TO § 1054.690—PER-ENGINE BOND VALUES

For engines with displacement falling in the following ranges . . .	The per-engine bond value is . . .
Disp. <225 cc	$25
225 ≤Disp. <740 cc	50
740 ≤Disp. ≤1,000 cc	100
Disp. >1,000 cc	200